



HONG KONG MONETARY AUTHORITY

香港金融管理局

Our Ref : B1/15C

2 June 2015

The Chief Executive
All retail banks

Dear Sir/Madam,

NGO Fund Raising Activities

The Hong Kong Monetary Authority (HKMA) has recently received feedback from non-governmental organisations (NGOs) on the difficulties they have experienced in opening bank accounts and in securing banking services in support of fund raising activities, such as “flag day” events. Having discussed with some of the NGOs concerned, I am writing to set out the HKMA’s guidance for the retail banks in this regard.

As part of the usual Anti-Money Laundering/Counter-Terrorist Financing control processes, banks should exercise proper due diligence by identifying and verifying the identities of NGOs and understanding their purposes before establishing banking relationships with them. At the same time, banks should ensure the fund raising exercises are legitimate and commensurate with the stated purposes of the NGOs. This is particularly important where cross border donations or fund transfers are involved. In this context, banks are reminded to verify that the relevant approvals for the fund raising activities have been obtained from the government authorities.

The HKMA expects that, in line with the spirit of the Treat Customers Fairly Charter signed by all retail banks in October 2013, retail banks should support the principle of financial inclusion and corporate social responsibilities. The fund raising activities and operations of many bona fide NGOs will be adversely affected if the opening of accounts and handling of donation monies by retail banks cannot be provided. This will in turn undermine the work of the NGOs and may cause hardship to the beneficiaries of the NGOs’ donations or work, most of whom are underprivileged members of the society.

The HKMA therefore encourages retail banks to be supportive of the work of NGOs in Hong Kong by coming up with practical arrangements to accommodate legitimate and properly approved fund raising activities. The HKMA will further discuss with the Hong Kong Association of Banks to explore what more needs to be done to promote corporate social responsibility in the banking industry in Hong Kong.

Please feel free to contact Ms Yvonne Chan, Senior Manager (Banking Conduct), at 2878-1452 if you have any questions about the content of this circular.

Yours faithfully,

Arthur K.H. Yuen
Deputy Chief Executive

c.c. The Chairman, The Hong Kong Association of Banks